

Land Dispossession and Imperialism Repackaged as 'Feeding the World'

By Colin Todhunter

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Incisive article by **Colin Todhunter** first published on Global Research on November 30, 2020.

See section below pointing to Western agri-business control over Ukraine agriculture: "the toppling of Ukraine's government in early 2014 paved the way for foreign investors and Western agribusiness to take a firm hold over the agri-food sector"

The world is fast losing farms and farmers through the concentration of land into the hands of rich and powerful land speculators and agribusiness corporations. Smallholder farmers are being criminalised and even made to disappear when it comes to the struggle for land. They are constantly exposed to <u>systematic expulsion</u>.

In 2014, the <u>Oakland Institute</u> found that institutional investors, including hedge funds, private equity and pension funds, are eager to capitalise on global farmland as a new and highly desirable asset class. Financial returns are what matter to these entities, not food security.

Consider Ukraine. The organisation Grain found that in 2014 small farmers operated 16% of agricultural land in that country, but provided 55% of agricultural output, including: 97% of potatoes, 97% of honey, 88% of vegetables, 83% of fruits and berries and 80% of milk. It is clear that <u>Ukraine's small farms were delivering impressive outputs.</u>

Following the toppling of Ukraine's government in early 2014, the way was paved for foreign investors and Western agribusiness to take a firm hold over the agrifood sector. Reforms mandated by the EU-backed loan to Ukraine in 2014 included agricultural deregulation intended to benefit foreign agribusiness. Natural resource and land policy shifts were being designed to facilitate the foreign corporate takeover of enormous tracts of land.

Frederic Mousseau, policy director at the Oakland Institute, stated at the time that the World Bank and IMF were intent on opening up foreign markets to Western corporations and that the <u>high stakes around the control of Ukraine's vast agricultural sector</u>, the world's third largest exporter of corn and fifth largest exporter of wheat, constitute an overlooked critical factor. He added that in recent years, foreign corporations had acquired more than 1.6 million hectares of Ukrainian land.

Western agribusiness has been coveting Ukraine's agriculture sector for quite some time, long before the coup. That country contains one third of all arable land in Europe. An article by Oriental Review in 2015 noted that since the mid-90s the Ukrainian-Americans at the helm of the US-Ukraine Business Council had been instrumental in encouraging the foreign control of Ukrainian agriculture.

In November 2013, the Ukrainian Agrarian Confederation drafted a legal amendment that would benefit global agribusiness producers by allowing the widespread use of genetically modified seeds. When GMO crops were legally introduced into the Ukrainian market in 2013, they were planted in up to 70% of all soybean fields, 10-20% of cornfields and over 10% of all sunflower fields, according to various estimates (or 3% of the country's total farmland).

Interestingly, the investment fund Siguler Guff & Co <u>acquired a 50% stake</u> in the Ukrainian Port of Illichivsk in 2015, which specialises in agricultural exports.

In June 2020, the IMF <u>approved</u> an 18-month \$5 billion loan programme with Ukraine. According to the <u>Brettons Wood Project</u> website, the government <u>committed</u> to lifting the 19-year moratorium on the sale of state-owned agricultural lands after sustained pressure from international finance. The World Bank incorporated <u>further measures</u> relating to the sale of public agricultural land as conditions in a \$350 million Development Policy Loan (COVID 'relief package') to Ukraine <u>approved</u> in late June. This included a required 'prior action' to "enable the sale of agricultural land and the use of land as collateral."

In response, Frederic Mousseau recently stated:

"The goal is clearly to favor the interests of private investors and Western agribusinesses... It is wrong and immoral for Western financial institutions to force a country in a dire economic situation amidst an unprecedented pandemic to sell its land."

But morality has little to do with it. The September 2020 report on the grain.org website 'Barbarians at the barn: private equity sinks its teeth into agriculture' shows that there is no morality where capitalism's profit compulsion is concerned.

Private equity funds – pools of money that use pension funds, sovereign wealth funds, endowment funds and investments from governments, banks, insurance companies and high net worth individuals – are being injected into the agriculture sector throughout the world. This money is used to lease or buy up farms on the cheap and aggregate them into large-scale, US-style grain and soybean concerns. The article outlines how offshore tax havens and the European Bank for Reconstruction and Development (EBRD) has targeted Ukraine.

In addition to various Western governments, the Bill and Melinda Gates Foundation Trust, which manages the foundation's endowment, is also investing in private equity, taking positions in farm and food businesses around the world.

Grain notes that this forms part of the trend whereby the world of finance – banks, funds, insurance companies and the like – is gaining control over the real economy, including forests, watersheds and rural people's territories.

Apart from uprooting communities and grabbing resources to entrench an industrial, exportoriented model of agriculture, this process of 'financialisation' is shifting power to remote board rooms occupied by people with no connection to farming and who are merely in it to make money. These funds tend to invest for a 10-15 year period, resulting in handsome returns for investors but can leave a trail of long-term environmental and social devastation and serve to undermine local and regional food insecurity.

This financialisation of agriculture perpetuates a model of farming that serves the interests of the agrochemical and seed giants, including one of the world's biggest companies, Cargill, which is involved in almost every aspect of global agribusiness.

Still run as a privately held company, the 155-year-old enterprise trades in purchasing and distributing various agricultural commodities, raises livestock and produces animal feed as well as food ingredients for application in processed foods and industrial use. Cargill also has a large financial services arm, which manages financial risks in the commodity markets for the company. This includes Black River Asset Management, a hedge fund with about \$10 billion of assets and liabilities.

A recent article on the <u>Unearthed website</u> accused Cargill and its 14 billionaire owners of profiting from the use of child labour, rain forest destruction, the devastation of ancestral lands, the spread of pesticide use and pollution, contaminated food, antibiotic resistance and general health and environmental degradation.

As if this is not concerning enough, the UN Food and Agriculture is now teaming up with CropLife, a global trade association representing the interests of companies that produce and promote pesticides, including <u>highly hazardous pesticides</u> (HHPs).

In a 19 November press release issued by PAN (Pesticide Action Network) Asia Pacific, some 350 organisations in 63 countries representing hundreds of thousands of farmers, fisherfolk, agricultural workers and other communities, as well as human rights, faith-based, environmental and economic justice institutions, delivered a letter to FAO Director-General **Qu Dongyu** urging him to stop recently announced plans to deepen collaboration with CropLife International by entering into a <u>formal partnership</u>.

HHPs are responsible for a wide range of devastating health harms to farmers, agricultural workers and rural families around the world and these chemicals have <u>decimated pollinator</u> populations and are wreaking havoc on biodiversity and fragile ecosystems.

Marcia Ishii, senior scientist at PAN North America, explained the serious implications of the proposed collaboration:

"Unfortunately, since Mr. Qu's arrival at FAO, the institution appears to be opening up to deeper collaboration with pesticide companies, which are likely to exploit such a relationship for bluewashing, influencing policy development and enhancing access to global markets."

She went on to state:

"It is no surprise that FAO's recently appointed Deputy Director General, Beth Bechdol, comes to FAO with a history of close <u>financial ties</u> to Corteva (formerly Dow/DuPont)."

The FAO has in recent years shown a commitment to agroecology but, in calling for an independent FAO, Susan Haffmans from PAN Germany, argues:

"The FAO should not jeopardize its successes in agroecology nor its integrity by cooperating with precisely that branch of industry which is responsible for the production of highly hazardous pesticides and whose products contribute to poisoning people and their environment worldwide."

The July 2019 <u>UN FAO High Level Panel of Experts concludes that agroecology</u> provides greatly improved food security and nutritional, gender, environmental and yield benefits compared to industrial agriculture.

Agroecological principles represent a shift away from the reductionist yield-output chemical-intensive industrial paradigm, which results in among other things enormous pressures on human health, soil and water resources. Agroecology is based on a more integrated low-input systems approach to food and agriculture that prioritises local food security, local calorific production, cropping patterns and diverse nutrition production per acre, water table stability, climate resilience, good soil structure and the ability to cope with evolving pests and disease pressures.

Such a system is underpinned by a concept of food sovereignty, based on optimal selfsufficiency, the right to culturally appropriate food and local ownership and stewardship of common resources, such as land, water, soil and seeds.

However, this model is a direct challenge to the interests of CropLife members. With the emphasis on localisation and on-farm inputs, agroecology does not require dependency on proprietary chemicals, pirated seeds and knowledge nor long-line global supply chains.

By seeking to develop a formal partnership with the FAO, CropLife aims to further entrench its interests while derailing the FAO's commitment to agroecology. This much has been apparent in recent times with US Ambassador to the FAO Kip Tom having attacked agroecology – and like CropLife members – he perpetuates the myth (recently debunked by Dr Jonathan Latham in the new book 'Rethinking Food and Agriculture')of impending disaster if we do not accept the chemical-industrial paradigm.

Whether it involves farmers in India recently taking to the streets to protest against legislation that will throw the sector wide open to foreign agricapital, land acquisitions in Ukraine or struggles for land rights and seed sovereignty (etc) elsewhere, it is clear that a small cabal of unscrupulous global agribusiness giants are driving and benefitting from deregulated capital flows, peasant displacement, land acquisitions and decisions made at international and national levels via the IMF, World Bank and WTO.

The web that global capitalism weaves in a quest to seek out new profits, capture new markets and control common resources (commonwealth) is destroying farmer livelihoods, the environment and health under the bogus claim of 'feeding the world'.

Those farmers who survive the profiteering strategies of dispossession and imperialism are to become incorporated into a system of contract farming dictated by global agri-food giants tied to an exploitative food regime based on market dependency and corporate control. A regime that places profit ahead of biodiverse food security, healthy diets and the environment.

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